

LNF & IHCIF Calculations Illustration

- UINTAH-OURAY in Phoenix area -

Given Data

- 4,493 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 35% = % Expenditures on purchased services, 65% = % expenditures in-house
- 97.2% = Cost index for purchasing health care in this geographic area
- 114.2% = Size cost index for in-house costs due to small or large size
- 100.9% = Phoenix area cost index for health status above or below average

Cost Adjustment Calculations

- \$1,014 per person for purchased services = $35\% * 97.2\% * \$2,980$
- \$2,212 per person for in-house services = $65\% * 114.2\% * \$2,980$
- \$3,225 per person total = \$1,014 (purchase) + \$2,212 (in-house)
- **\$3,255 per person total** adjusted for health status = $\$3,225 * 100.9\%$
- **\$2,510 per person net cost** = $\$3,255 - \745 Other resources (M&M&PI)

Existing Expenditures (for 4,493 users excluding wrap-around and collections)

- \$1,372 per person = local IHS allowance (excludes \$ for wrap-around)
- \$213 per person = expenditures elsewhere in Phoenix area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,639 per person for OU users** = $\$1,372 + \$213 + \$54$

LNF Calculation

- **50.3% Gross LNF** = $\$1,639$ (expenditures) / $\$3,255$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **65.3% Net LNF** = $\$1,639 / \$2,510$ net cost ($\$3,255 - \745 other)

IHCIF Allocation

- \$0 = \$ to raise LNF% from 65.3% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$0 Allocation** = \$0 needed for 60% * 3.488% IHCIF fraction

UINTAH-OURAY Unmet Needs

- **\$11,278,730 Net Total Need** = $4,493$ users * $\$2,510$ net cost
- **\$3,915,359 Net Unmet Need** = $(100\% - 65.3\% \text{ LNF}) * 4,493$ users * $\$2,510$ net cost